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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/736,138	12/13/2000	Joane Goodroe	GOOD1 (11652.107070)	8196
7590 Wm, Brook Lafferty, Esq. Troutman Sanders LLP Suite 5200 600 Peachtree Street, NE Atlanta, GA 30308-2216			EXAMINER PASS, NATALIE	
			ART UNIT	PAPER NUMBER
			3626	
SHORTENED STATUTORY PERIOD OF RESPONSE		MAIL DATE	DELIVERY MODE	
3 MONTHS		03/22/2007	PAPER	

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary	Application No. 09/736,138	Applicant(s) GOODROE ET AL.	
	Examiner Natalie A. Pass	Art Unit 3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 26 December 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 2-19 and 24-27 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 2-19, 24-27 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Notice to Applicant

1. This communication is in response to the amendment filed 26 December 2006. Claims 1, 20-23 have been cancelled. Claims 2-19, 24-27 are currently pending.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 3-7, 11-18, 24 are rejected under 35 U.S.C. 103(a) as being unpatentable over McCartney, U.S. Patent Number 5, 778, 345 in view of Dang, U.S. Patent Number 5, 835, 897 for substantially the same reasons given in the prior Office Action (paper number 20060809). Further reasons appear hereinbelow.

(A) Claims 3-7, 11-18, 24 have not been amended and are rejected for the same reasons given in the previous Office Action (paper number 20060809, section 7, pages 3-7), and incorporated herein.

4. Claims 8-10, 19 are rejected under 35 U.S.C. 103(a) as being unpatentable over McCartney, U.S. Patent Number 5, 778, 345 in view of Dang, U.S. Patent Number 5, 835, 897 as

Art Unit: 3626

applied to claims 24 and 7 above, and further in view of Jones et al., U.S. Patent Number 6, 117, 073 for substantially the same reasons given in the prior Office Action (paper number 20060809). Further reasons appear hereinbelow.

(A) Claims 8-10, 19 have not been amended and are rejected for the same reasons given in the previous Office Action (paper number 20060809, section 8, pages 7-9), and incorporated herein.

5. Claim 25 is rejected under 35 U.S.C. 103(a) as being unpatentable over McCartney, U.S. Patent Number 5, 778, 345 in view of Dang, U.S. Patent Number 5, 835, 897 and further in view of article: Alba, T. et al. How hospitals can use internal benchmark data to create effective managed care arrangements. Journal of Health Care Finance. Fall 1994, hereinafter called Alba for substantially the same reasons given in the prior Office Action (paper number 20060809). Further reasons appear hereinbelow.

(A) Claim 25 has not been amended and is rejected for the same reasons given in the previous Office Action (paper number 20060809, section 9, pages 9-11), and incorporated herein.

6. Claim 26 is rejected under 35 U.S.C. 103(a) as being unpatentable over McCartney, U.S. Patent Number 5, 778, 345, Dang, U.S. Patent Number 5, 835, 897 and article, Alba, T. et al. How hospitals can use internal benchmark data to create effective managed care arrangements. Journal of Health Care Finance. Fall 1994, hereinafter called Alba, as applied to claim 25 above,

Art Unit: 3626

and further in view of article, "Cost Control Incented Many Ways Despite OIG Ruling on

Gainsharing, "April 12, 2000, Physician Compensation Report, URL:

<http://www.findarticles.com/p/articles/mi_m0FBW/is_4_1/ai_61933228/print>, hereinafter

known as CostControl for substantially the same reasons given in the prior Office Action (paper number 20060809). Further reasons appear hereinbelow.

(A) Claim 26 has not been amended and is rejected for the same reasons given in the previous Office Action (paper number 20060809, section 10, pages 11-13), and incorporated herein.

7. Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over McCartney, U.S. Patent Number 5, 778, 345 in view of Dang, U.S. Patent Number 5, 835, 897 as applied to claim 24 above, and further in view of article, "Cost Control Incented Many Ways Despite OIG Ruling on Gainsharing, "April 12, 2000, Physician Compensation Report, URL:
<http://www.findarticles.com/p/articles/mi_m0FBW/is_4_1/ai_61933228/print>, hereinafter known as CostControl for substantially the same reasons given in the prior Office Action (paper number 20060809). Further reasons appear hereinbelow.

(A) Claim 2 has not been amended and is rejected for the same reasons given in the previous Office Action (paper number 20060809, section 11, pages 13-14), and incorporated herein.

Art Unit: 3626

8. Claim 27 is rejected under 35 U.S.C. 103(a) as being unpatentable over McCartney, U.S. Patent Number 5, 778, 345 in view of Dang, U.S. Patent Number 5, 835, 897 as applied to claims 24 and 11 above, and further in view of Kessler et al., U.S. Patent Number 5, 324, 077 for substantially the same reasons given in the prior Office Action (paper number 20060809). Further reasons appear hereinbelow.

(A) Claim 27 has not been amended and is rejected for the same reasons given in the previous Office Action (paper number 20060809, section 12, page 14), and incorporated herein.

Response to Arguments

9. Applicant's arguments filed 26 December 2006 have been fully considered but they are not persuasive. Applicant's arguments will be addressed hereinbelow in the order in which they appear in the responses filed 26 December 2006.

(A) At pages 6-11 of the 26 December 2006 response Applicant argues that the features in the Application are not taught or suggested by the applied references. In response, all of the limitations which Applicant disputes as missing in the applied references have been fully addressed by the Examiner as either being fully disclosed or obvious in view of the combined teachings of McCartney, Dang, Jones, Alba, CostControl and Kessler, based on the logic and sound scientific reasoning of one ordinarily skilled in the art at the time of the invention, as detailed in the remarks and explanations given in the preceding sections of the present Office Action and in the prior Office Action (paper number 20060809), and incorporated herein. In

Art Unit: 3626

particular, Examiner notes that the recited features of “establishing a benchmark related to the specific clinical procedure based upon the identified reduction opportunities are taught by the combination of applied references. Please note that Examiner interprets McCartney's recitation of “[a] benchmark module or procedure 700 computes efficiency indicators, such as average length of stay (ALOS), ratio of day surgery to non-day surgery cases, etc., for one or more types of medical service [Examiner interprets one type of “medical service” to teach a “specific clinical procedure”]. These indicators are compared against benchmark values to identify areas where the subject health care provider is inefficient” (emphasis added) (McCartney, column 12, lines 30-37) together with McCartney's teachings of “[t]he benchmark ... [...] ... can be a predetermined value programmed into the system ... [...] ... or more preferably it can be dynamically computed ...” (emphasis added) (McCartney; column 18, lines 38-40) as teaching that the benchmark can be a predetermined value applied prior to the identification of the reduction opportunities, or the benchmark can be dynamically computed, or chosen after the identification of the reduction opportunities.

With regard to Applicant's assertion in pages 7-8 of the 26 December 2006 response that “neither McCartney [n]or Dang are analogous to Applicant's currently claimed invention,” Examiner respectfully disagrees. In response to Applicant's argument that McCartney and Dang are nonanalogous art, it has been held that a prior art reference must either be in the field of Applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the Applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992).

Firstly, the Examiner respectfully submits that the prior art references are in the field of Applicant's endeavor. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). Applicant's invention pertains to measuring the operational efficiency and effectiveness of a clinical practice in order to predict cost savings opportunities and standardizing clinical procedures based upon the benchmark characteristic. The Examiner respectfully submits in this case that the primary reference, McCartney, was relied upon for teaching optimizing the allocation of health resources, which includes physical equipment and manpower, so that these resources are used to maximum efficiency (McCartney; column 1, lines 19-22) McCartney teaches a preferred embodiment using a “macroeconomic scale.” However, when considering and applying prior art to claim limitations, alternate embodiments may be considered. According to MPEP §2123, “a reference may be relied upon for all that it would have reasonably suggested to one having ordinary skill the art, including non-preferred embodiments.” *Merck & Co. v. Biocraft Laboratories*, 874 F.2d 804, 10 USPQ2d 1843 (Fed. Cir.), cert. denied, 493 U.S. 975 (1989). See also *Celeritas Technologies Ltd. v. Rockwell International Corp.*, 150 F.3d 1354, 1361, 47 USPQ2d 1516, 1522-23 (Fed. Cir. 1998). Applicant fails to consider McCartney’s teachings of “[i]n examining a particular health care provider, it is first necessary to quantify efficiency and capacity utilization to determine whether these levels are at acceptable levels, thereby identifying surplus resources” (emphasis added) (McCartney; column 1, lines 24-28) and that McCartney’s analysis includes all particulars of a Patient Record “compiled during a patient’s visit or stay with a health care provider and is a record of the particulars thereof...” (i.e., is “related to a specific clinical procedure”) (emphasis added) (McCartney; column 9, lines 15-29), and of McCartney’s recited preamble to claim 1, “[a] computer-implemented method of

Art Unit: 3626

optimizing the allocation of health resources for at least one subject health care provider,” (emphasis added) (also see McCartney; column 6, lines 10-13). The Examiner interprets these phrasings to mean the aspects disclosed and summarized in the passage are parts of a limited or preferred embodiment that does not preclude other possible embodiments that have alternate configurations that still provide the same advantages of the McCartney system and method. Dang discloses qualitative and quantitative analysis of medical provider performance and an analytical tool for identifying real costs in a given health care management system as well as providing a more efficient health care system by aiding health care providers to optimize health care services and expenditures by applying established utilization and cost norms (Dang; column 1 lines 34-47). Dang also teaches creating or engineering quality improvement protocols (reads on “standardizing”) of clinical procedures based upon benchmarks (Dang; column 19, lines 40-64, column 36, lines 15-19). Thus, the skilled artisan viewing McCartney and Dang collectively would have realized McCartney ‘s generic optimization of health care resources was taken in combination with Dang’s teachings pertaining to standardization of clinical procedures based upon benchmarks. Thus, it is the position of the Examiner that McCartney and Dang are in the field of the Applicant's endeavor (i.e., both relate to management of clinical operations and identifying practice patterns and utilizing benchmarks to facilitate resource allocation and utilization), and are therefore analogous art.

Secondly, the Examiner respectfully submits that the prior art references are reasonably pertinent to the particular problem with which the Applicant was concerned. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). McCartney is directed to solving the problem

Art Unit: 3626

of evaluating health care provider performance and optimizing the allocation of health resources, which includes infrastructure, physical equipment and manpower, so that these resources are used to maximum efficiency (McCartney column 1, lines 19-22) and optimizing the allocation of health resources for at least one subject health care provider (McCartney column 6, lines 10-13). The present application also seeks to solve a similar problem, namely, identifying cost savings opportunities to reduce waste while improving patient care (Specification; paragraph [0003]. Thus, it is the position of the Examiner that the prior art references are reasonably pertinent to the particular problem with which the Applicant was concerned and the applied references are analogous art as both relate to measuring operational efficiencies and effectiveness of clinical practices.

With regard to Applicant's assertion in pages 8-9 of the 26 December 2006 response that "the portion of McCartney cited by the Examiner does not teach or fairly suggest..." limitations recited in claim 24, such as collecting data related to a specific clinical procedure and identifying from the collected data reduction opportunities for reducing waste and costs during the specific clinical procedure, Examiner respectfully disagrees. Examiner interprets McCartney's teachings of collecting data "compiled during a patient's visit or stay with a health care provider and is a record of the particulars thereof..." to teach collecting data "related to a specific clinical procedure" (McCartney; column 9, lines 15-29, column 12, lines 30-35), and McCartney's teachings of "potential savings ... [...] ... for various scenarios" (McCartney; column 18, lines 34-48) to teach "reduction opportunities for reducing waste and costs during the specific clinical procedures" and these teachings, when combined with McCartney's teachings of "optimizing the allocation of health resources for at least one subject health care provider," (McCartney; column

Art Unit: 3626

6, lines 10-13) to teach the argued limitations. Moreover, Examiner notes that Applicant appears to rely upon only a small subset of Examiner's applied art. Further, it is the entire combined applied reference(s), and not only the cited passages that must be considered when evaluating whether or not the applied references teach the cited limitations.

With regard to Applicant's assertion in the paragraph pages 8-9 of the 26 December 2006 response that the McCartney reference teaches only on a macroscopic scale, this argument has been addressed earlier in this Office Action.

With regard to Applicant's assertion in the second paragraph on page 9 of the 26 December 2006 response that "the portions of Dang cited by the Examiner" do not teach standardizing clinical procedures based on benchmarks, Examiner respectfully disagrees; Examiner interprets Dang's teachings of "[b]y identifying excessive utilization and cost areas, continuous quality improvement protocols are readily engineered based on internally or externally derived benchmarks" (Dang; column 19, lines 40-64, column 36, lines 15-19) to teach the argued limitations. Moreover, Examiner notes that Applicant appears to rely upon only a small subset of Examiner's applied art. Further, it is the entire combined applied reference(s), and not only the cited passages that must be considered when evaluating whether or not the applied references teach the cited limitations.

As per Applicant's argument at pages 9-11 of the 26 December 2006 response that the there is no motivation to combine the references and that *prima facie* obviousness has not been established, the Examiner respectfully submits that obviousness is determined on the basis of the

Art Unit: 3626

evidence as a whole and the relative persuasiveness of the arguments. See *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992); *In re Hedges*, 783 F.2d 1038, 1039, 228 USPQ 685,686 (Fed. Cir. 1992); *In re Piasecki*, 745 F.2d 1468, 1472, 223 USPQ 785,788 (Fed. Cir. 1984); and *In re Rinehart*, 531 F.2d 1048, 1052, 189 USPQ 143,147 (CCPA 1976).

Using this standard, the Examiner respectfully submits that the burden of presenting a *prima facie* case of obviousness has at least been satisfied, since evidence of corresponding claim elements in the prior art has been presented and since Examiner has expressly articulated the combinations and the motivations for combinations that fairly suggest Applicant's claimed invention (see paper number 20060809). Note, for example, the motivations explicitly stated at lines 15-14 of page 4 of the previous Office Action (i.e., " ... with the motivations of providing an objective means for measuring and quantifying health" ...).

Furthermore, the Examiner recognizes that references cannot be arbitrarily altered or modified and that there must be some reason why one skilled in the art would be motivated to make the proposed modifications. And although the motivation or suggestion to make modifications must be articulated, it is respectfully submitted that there is no requirement that the motivation to make modifications must be expressly articulated within the references themselves. References are evaluated by what they suggest to one versed in the art, rather than by their specific disclosures, *In re Bozek*, 163 USPQ 545 (CCPA 1969).

The Examiner is concerned that the Applicant apparently ignores the mandate of the numerous court decisions supporting the position given above. The issue of obviousness is not determined by what the references expressly state but by what they would reasonably suggest to

Art Unit: 3626

one of ordinary skill in the art, as supported by decisions in *In re Delisle* 406 Fed 1326, 160 USPQ 806; *In re Kell, Terry and Davies* 208 USPQ 871; and *In re Fine*, 837 F.2d 1071, 1074, 5 USPQ 2d 1596, 1598 (Fed. Cir. 1988) (citing *In re Lalu*, 747 F.2d 703, 705, 223 USPQ 1257, 1258 (Fed. Cir. 1988)). Further, it was determined in *In re Lamberti et al* 192 USPQ 278 (CCPA) that:

- (i) obvious does not require absolute predictability;
- (ii) non-preferred embodiments of prior art must also be considered; and
- (iii) the question is not express teaching of references but what they would suggest.

According to *In re Jacoby*, 135 USPQ 317 (CCPA 1962), the skilled artisan is presumed to know something more about the art than only what is disclosed in the applied references. In *In re Bode*, 193 USPQ 12 (CCPA 1977), every reference relies to some extent on knowledge of persons skilled in the art to complement that which is disclosed therein. In *In re Conrad* 169 USPQ 170 (CCPA), obviousness is not based on express suggestion, but what references taken collectively would suggest.

In addition, Examiner notes that according to *In re Kahn*, a suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior art, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references. . . . The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art. *In re Kotzab*, 217 F.3d 1365, 1370 (Fed. Cir. 2000), *In re Kahn*, Slip Op. 04-1616, page 9 (Fed. Cir. Mar. 22, 2006).

Art Unit: 3626

In the instant case, the Examiner respectfully notes that each and every motivation to combine the applied references is accompanied by select portions of the respective reference which specifically support that particular motivation. As such, it is NOT seen that the Examiner's combination of references is unsupported by the applied prior art of record. Rather, it is respectfully submitted that explanation based on the logic and scientific reasoning of one ordinarily skilled in the art at the time of the invention that support a holding of obviousness has been adequately provided by the motivations and reasons indicated by the Examiner, *Ex parte Levengood* 28 USPQ 2d 1300 (Bd. Pat. App. & Inter., 4/22/93).

As such, it is respectfully submitted that Applicant appears to view the applied references without considering the knowledge of average skill in the art, and further fails to appreciate the breadth of the claim language that is presently recited.

Conclusion

10. **THIS ACTION IS MADE FINAL.** See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

11. **Any response to this final action should be mailed to:**

Art Unit: 3626

Box AF

Commissioner of Patents and Trademarks

Washington D.C. 20231

or faxed to: (571) 273-8300.

For formal communications, please mark
"EXPEDITED PROCEDURE".

For informal or draft communications, please
label "PROPOSED" or "DRAFT" on the front page of
the communication and do NOT sign the
communication.

After Final communications should be labeled "Box AF."

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Natalie A. Pass whose telephone number is (571) 272-6774. The examiner can normally be reached on Monday through Thursday from 9:00 AM to 6:30 PM. The examiner can also be reached on alternate Fridays.

Art Unit: 3626

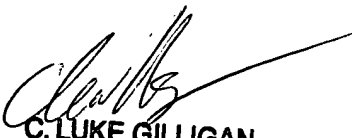
13. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas, can be reached at (571) 272-6776. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (571) 272-3600.

14. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Natalie A. Pass

March 7, 2007



C. LUKE GILLIGAN
PRIMARY EXAMINER
TECHNOLOGY CENTER 3600